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CONCURRENT RESOLUTION ON FEDERAL GOVERNMENT**PAYMENTS IN LIEU OF TAXES**

2020 SIXTH SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Keven J. Stratton

Senate Sponsor: _____

LONG TITLE**General Description:**

This concurrent resolution addresses federal government payments in lieu of taxes.

Highlighted Provisions:

This resolution:

- ▶ ~~[identifies \$534 million as]~~ states that the minimum current annual property tax equivalency for all federal lands in the state of Utah~~[, under the lowest, fair property tax equivalency scenario, compared to the less than]~~ is greater than the \$41 million that the state received for 2019;
- ▶ addresses the history of federal government payments in lieu of taxes (PILT), expresses appreciation for all PILT money paid to the state, but addresses the inadequacy of those payments;
- ▶ refers to new technology that enables a more accurate determination of the property tax equivalency value of all federal lands in the state;
- ▶ calls on Congress and the President to fund PILT payments to Utah for 2020 at the full property tax equivalency amount ~~[of \$534 million at a minimum]~~;
- ▶ calls upon federal officials to coordinate expeditiously with Utah and other willing states to ensure that future PILT payments are permanently made on a full property



tax equivalency basis;

- ▶ calls on federal officials to collaborate with Utah's congressional delegation and state and local officials to allow greater state management and local control of the federal land within Utah municipalities in order to stabilize fluctuating economic conditions;
- ▶ calls upon local, state, and national leaders and others to come together to secure the full and fair property tax equivalency of PILT for all western states and the nation; and
- ▶ directs that a copy of this resolution be sent to federal, state, and local officials and others.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

WHEREAS, [~~\$534 million is~~] the current annual property tax equivalency for all federal lands in the state of Utah [~~, under the lowest, fair property tax equivalency scenario, compared to the less~~] is greater than the \$41 million that the state received for 2019;

WHEREAS, technology now exists to more accurately determine the property tax equivalency value of all federal lands in the state;

WHEREAS, when the federal government changed its public lands policy in 1976 from one of disposal to one of retention, Congress agreed to make payments in lieu of taxes (PILT) "to make up for the presence of nontaxable land" (Congressional Research Service) on a "tax equivalency" (USDA) basis;

WHEREAS, tax equivalency means the amount "that would have been received by these jurisdictions if the federal lands were privately owned" (Government Accountability Office);

WHEREAS, the federal commitment to pay the property tax equivalency for PILT is vital for Utah's children and communities and is particularly important during periods of fluctuating economic conditions;

WHEREAS, Utah appreciates every dollar of PILT money received, yet the harsh reality is that current PILT is less than [~~8% of~~] the lowest, fair property tax equivalency value,

57 resulting in exponentially compounding depressive impacts on funding for education and
58 essential government services, including first responder services, the construction of roads,
59 schools, and other infrastructure, and search and rescue services;

60 WHEREAS, the current fluctuating economic conditions have intensified this structural
61 burden borne by Utah citizens and communities to fund education and all other government
62 services with less than 21% taxable land; and

63 ~~[WHEREAS, the minimum current annual amount required to satisfy the property tax~~
64 ~~equivalency commitment for PILT to Utah's citizens, communities, and schoolchildren is \$534~~
65 ~~million, calculated as follows:~~

66 ~~—— a. \$131 million is the current property tax equivalency amount for the 217,000 acres of~~
67 ~~nontaxable U.S. Forest Service (USFS) and Bureau of Land Management (BLM) land entirely~~
68 ~~within Utah municipal limits;~~

69 ~~—— b. \$228 million is the current property tax equivalency amount for the 441,000 acres of~~
70 ~~nontaxable USFS and BLM land within one mile of Utah municipal limits; and~~

71 ~~—— c. \$175 million is the current property tax equivalency amount for all nontaxable~~
72 ~~federal lands subject to PILT beyond one mile of Utah municipal limits; and]~~

73 WHEREAS, by unanimous vote, the Utah Legislature, with the Governor concurring,
74 charged the Utah Federalism Commission with overseeing the development of a federal land
75 valuation model, together with the review and analysis of applicable studies and materials
76 pertaining to the property tax equivalency of PILT, which together led to the findings and
77 conclusions set forth in this resolution:

78 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah, the
79 Governor concurring therein, calls upon the Congress of the United States and the President of
80 the United States to ~~[pay at a minimum \$534 million as the payment]~~ make payments to the
81 state in lieu of taxes for 2020 on a full property tax equivalency basis, as committed at the
82 inception of the PILT program~~[, calculated as follows:]~~ .

83 ~~[a. with respect to the more than 217,000 acres of nontaxable federally managed lands~~
84 ~~located inside of Utah municipal boundaries, the property tax equivalency amount of \$131~~
85 ~~million;~~

86 ~~—— b. with respect to the more than 441,000 acres of nontaxable federally managed lands~~
87 ~~that are within one mile of Utah municipal boundaries, the property tax equivalency amount of~~

88 ~~\$228 million; and~~

89 ~~— c. with respect to the balance of the nearly 33 million acres of nontaxable federally~~
90 ~~managed lands in the state of Utah, the property tax equivalency amount of \$175 million.]~~

91 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
92 concurring therein, calls upon the Congress of the United States and the President of the United
93 States to coordinate expeditiously and in good faith with Utah and other willing states to adopt
94 such laws, regulations, and policies as are necessary to ensure that all future PILT payments are
95 permanently made on a full property tax equivalency basis.

96 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
97 concurring therein, calls upon the Congress of the United States, the President of the United
98 States, and the relevant federal administrative agencies, in light of the current fluctuating
99 economic conditions Utah faces, to collaborate in a timely and good faith manner with Utah's
100 congressional delegation and with state and local leaders to allow greater state management
101 and local control of the 217,000 acres of federal land within Utah municipal limits, which
102 amount to a small fraction of the 33 million acres of nontaxable federally managed lands within
103 the state of Utah, for the purpose of stabilizing fluctuating economic conditions.

104 BE IT FURTHER RESOLVED that the Legislature of the state of Utah, the Governor
105 concurring therein, calls upon all people of good will and local, state, and national leaders to
106 come together to secure the full and fair property tax equivalency of PILT for our children and
107 our communities throughout all western states and the entire nation.

108 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the President of
109 the United States, the Vice President of the United States, the Majority Leader and Minority
110 Leader of the United States Senate, the Speaker and Minority Leader of the United States
111 House of Representatives, each member of the Utah congressional delegation, the Governors,
112 the Senate Presidents, and Speakers of the House of every state with more than 20% federally
113 controlled lands, the county governing council and executive of every county within those
114 states, and the National Association of Counties and the Western Governors Association.